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THE ENDICOTT REPORT

Trends in the Employment of

College and University Graduates in

Business and Industry

1981

THIRTY-FIFTH ANNUAL REPORT

A Survey of 142 Well-known Business

and Industrial Concerns

by

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INTRODUCTORY STATEMENT

This is the thirty-fifth annual survey of policy and practice in the employment of college and university graduates in business and industry. A total of 142 well-known companies responded to the inquiry. All but a few are large or medium sized corporations. Almost all of these companies have recruited college graduates for many years. Reports came from 20 states and Washington, D.C., representing all major regions of the nation.

Survey forms were returned during the period from October 15 to November 15, 1980. This was the time of the national election which resulted in a sweeping victory for the Republicans. Economic issues, especially inflation, taxes and government spending were hotly debated. There were a few signs that the recession was beginning to bottom out, but unemployment was high and automobile manufacturers reported huge losses.

The major purpose of this report is to supply information which will be of interest to colleges and universities as well as to employers. An important feature of these surveys is an estimate by the responding companies of the number of graduates to be employed during the coming year and the starting salaries to be offered. In recent years, a follow-up survey has been made in May to determine the accuracy of the November estimates.

The willingness of hundreds of corporate personnel executives to supply information, often at considerable cost in time and effort, is greatly appreciated and care is taken not to identify the responding companies in any way.

SOURCES OF DATA

The 142 responding companies represent a variety of business interests. They are classified as follows:

Machinery/Heavy Equipment	19	Automobile/Aircraft	6
Light Manufacturing	17	Public Accounting	6
Utilities	12	Data Processing	5
Banking/Investments	12	Research/Engineering	5
Bldg. Materials/Construction	9	Food/Grain Processing	3
Retail Store/Mail Order	8	Textiles/Rubber	3
Drugs/Chemicals	7	Printing/Publishing/Advertising	3
Steel/Other Metals	7	Carriers	2
Insurance	7	Paper/Paper Products	2
Oil/Gas	7	Others	2

BUSINESS OUTLOOK FOR 1981

Respondents were asked to indicate their best estimate of the business outlook for the company in 1981. A total of 39% expect 1981 to be BETTER than 1980. ABOUT THE SAME as 1980 was indicated by 50%. Only 11% expect 1981 to be NOT AS GOOD.

Improvement in the economy, increased demand and increased production were listed most frequently as reasons for a better year in 1981. Here are some illustrative comments:

"Our industry was quite depressed in 1980. Although we don't expect a significant change during 1981, we are optimistic that it will be a better business year."

"The second and third quarters of 1980 were the worst experienced in recent times. Business is now on the upswing and continued improvement is expected in 1981."

"Two new product lines for 1981 are expected to boost sales and, consequently, employment."

Respondents who were doubtful about improvement in 1981 expect a very slow economic recovery, especially in their industry. Some illustrative comments follow.

"The year 1980 will be fairly good for us and we may not be able to match it in 1981."

"We will have to continue belt-tightening and cut-backs until there is a firm improvement in sales."

"Government regulation is likely to prevent normal growth."

NEEDS FOR COLLEGE GRADUATES FROM 1981 CLASSES

	Bachelor's Degree	Master's Degree
Total needs UP	62%	55%
Total needs SAME as last year	6%	13%
Total needs DOWN	32%	32%
Number of companies reporting	135	88

THE EMPLOYMENT OF INEXPERIENCED COLLEGE GRADUATES DURING THE PAST YEAR
AND FOR NEXT YEAR AS REPORTED BY 135 COMPANIES

BACHELOR'S LEVEL	Past year (1980) No. Companies	Past year (1980) No. Grads.	Next year (1981) No. Companies	Next year (1981) No. Grads.
Engineering	89	7420	93	8872
Accounting	75	3364	72	3657
Sales-Marketing	42	1583	44	1986
Business Administration	66	1792	68	1859
Liberal Arts	32	486	28	467
Chemistry	34	330	32	351
Mathematics-Statistics	38	379	36	371
Economics-Finance	38	401	34	387
Computer Science	60	1117	62	1453
Other Fields	34	557	30	569
TOTALS - BACHELOR'S LEVEL		17,429		19,972
MASTER'S LEVEL				
Engineering	50	828	47	998
Other Technical Fields	32	490	29	537
MBA with Technical BS	27	394	30	453
MBA with Non-technical BA	51	703	48	681
Accounting	18	355	18	382
Other Non-technical Fields	22	287	16	310
TOTALS - MASTER'S LEVEL		3,057		3,361

Engineering: Bachelor's	UP for 1981 ... 20%	Master's	UP for 1981 ... 21%
Non-Engineering: Bachelor's	UP for 1981 ... 11%	Master's	UP for 1981 ... 6%
TOTALS: Bachelor's Level	UP for 1981 ... 15%	Master's	UP for 1981 ... 10%

COLLEGE GRADUATES TO BE HIRED AT VARIOUS SALARY LEVELS - BACHELOR'S DEGREE
1981 CLASSES
(Number of hiring companies in parentheses)

Field	Less than $1300	$1300 to $1399	$1400 to $1499	$1500 to $1599	$1600 to $1699	$1700 to $1799	$1800 to $1899	$1900 to more (a)	Average Starting Salary*
Engineering (93)		23 (2)	6 (1)	52 (3)	159 (4)	650 (17)	4352 (36)	3650 (30)	$1864
Accounting (72)	51 (10)	1116 (19)	2040 (22)	159 (11)	55 (6)	186 (3)	50 (1)		$1415
Sales-Mktg. (44)	198 (13)	510 (10)	772 (9)	388 (7)	110 (3)	8 (2)			$1435
Bus. Admin. (68)	531 (b) (21)	398 (15)	411 (17)	202 (8)	292 (6)	25 (1)			$1350
Lib. Arts (28)	238 (13)	48 (5)	60 (2)	26 (3)	43 (3)	52 (2)			$1287
Chemistry (32)			12 (4)	85 (8)	136 (10)	78 (8)	35 (1)	5 (1)	$1628
Math-Stat. (36)	15 (7)	7 (2)	29 (1)	86 (10)	165 (11)	27 (2)	42 (3)		$1550
Econ-Fin. (34)	79 (13)	134 (5)	72 (6)	47 (4)	45 (5)		10 (1)		$1407
Computer Sci. (62)	163 (4)	21 (4)	21 (5)	63 (11)	714 (23)	399 (12)	71 (2)	5 (1)	$1697
Other Fields (30)	59 (6)	38 (3)	10 (1)	28 (5)	68 (5)	292 (6)	8 (2)	65 (2)	$1669

*Salary per month. Averages take into account the number of graduates to be hired at each salary level.

Note a. Included among the 3650 engineers at $1900 or more are 1162 by 8 companies at $2000 or more.

Note b. Included among the 531 graduates in business administration at less than $1300 are 422 at $1200 or less by 9 companies.

Corresponding averages paid to graduates of 1980 classes as reported by these companies:

Engineering	$1685	Accounting	$1325	Sales-Mktg.	$1397
Bus. Admin.	$1275	Lib. Arts	$1221	Math-Stat.	$1462
Chemistry	$1538	Econ-Fin.	$1323	Comp. Sci.	$1551
		Other Fields	$1540		

COLLEGE GRADUATES TO BE HIRED AT VARIOUS SALARY LEVELS

MASTER'S DEGREE - 1981 CLASSES

(Number of hiring companies in parentheses)

Field	Less than $1600	$1600 to $1699	$1700 to $1799	$1800 to $1899	$1900 to $1999	$2000 to $2099	$2100 or More	Average Starting Salary*
Engineering (47)		12 (1)			41 (9)	480 (22)	465 (15)	$2094
Other Tech. Fields (29)	6 (1)		20 (1)	20 (4)	134 (11)	357 (12)		$1965
MBA with Tech. BS (30)		2 (1)	100 (1)	18 (3)	22 (4)	61 (5)	250 (16)	$2202
MBA with Non-Technical BA (48)	105 (4)	20 (4)	78 (6)	105 (7)	64 (8)	117 (8)	192 (11)	$1890
Accounting (18)	102 (3)	184 (3)	39 (5)	7 (2)		4 (2)	46 (3)	$1706
Other Non-Tech. Fields (16)	21 (1)	155 (2)	8 (4)	17 (2)	33 (4)	15 (2)	61 (1)	$1771

*Averages take into account the number of graduates to be hired at each salary level.

CORRESPONDING AVERAGES PAID LAST YEAR (1980)

FOR GRADUATES WITH THE MASTER'S DEGREE

Engineering	$1900
Other Technical Fields	$1799
MBA with Technical BS	$1997
MBA with Non-technical BA	$1740
Accounting	$1694
Other Fields	$1650

EARNINGS OF GRADUATES AFTER 5 AND 10 YEARS

Respondents were asked to estimate, as accurately as possible, the average monthly salary now (Nov., 1980) for graduates hired from the Classes of 1975 and 1970 who started in the fields indicated (5 and 10 years ago). Averages of company responses are shown below:

	GRADUATES HIRED 5 YEARS AGO			GRADUATES HIRED 10 YEARS AGO		
FIELD	No. Co's.	No. Grads.	Average Salary	No. Co's.	No. Grads.	Average Salary
Engineering	45	1444	$2231	42	920	$2465
Accounting	30	707	$2036	23	525	$2483
Sales	20	324	$2110	14	228	$2658
Bus. Adm.	27	538	$2073	22	456	$2488
Lib. Arts	16	393	$1932	15	313	$2340

EFFECT OF THE RECESSION ON COLLEGE RECRUITING

Companies were asked if the recession affected hiring of college graduates in any significant way.

About 40% said YES. In most of these companies hiring quotas were reduced. A few companies cancelled recruiting schedules. There was evidence that some companies revised job assignments, redistributed responsibilities and "streamlined" staffing.

Companies answering NO explained that there had been continued business growth which indicated the need for college graduates. Some reported that hiring plans were based on long-range business projections and a continuing need for technical and management personnel.

SUGGESTIONS FOR STUDENTS AND FOR COLLEGES

Respondents to the inquiry were asked for suggestions which would make college graduates more employable in the company. Responses came from 125 companies.

Question:

What can college students do to make themselves more EMPLOYABLE in your company?

Response:

Get as much job experience as possible through co-op plans, internships or summer employment.

Develop communications skills - oral and written.

Keep grades up.

Take business related courses - especially technical courses, computer science and business administration.

Research companies thoroughly when making application.

Have clear purposes and goals.

Know how to interview.

Question:

What can colleges do to make graduates more employable?

Response:

Develop more co-op programs and internships.

Improve counseling. Require seminars in career planning.

Offer more courses in communication - writing and speaking.

Have more business related options for students including computer science.

Work much more closely with industry. Consult business leaders on curriculum.

SUMMARY AND TRENDS

A total of 142 companies supplied information for the thirty-fifth annual report regarding the employment of college graduates in business. Most are large or medium sized corporations which regularly recruit college men and women.

Company responses were received in November, 1980. When asked to describe the business outlook for their company in 1981, thirty-nine percent indicated that business would be better. Eleven percent predicted that business would not be as good.

The reporting companies expect to hire 16% more college graduates at the Bachelor's level in 1981 than were employed from 1980 classes. At the Master's degree level, the increase will be 10%. In greatest demand will be graduates in engineering, accounting, business administration, computer science, and sales.

Almost without exception, these companies will raise starting salaries from 7 to 10%. Predicted averages for 1981 indicate that Bachelor's degree graduates in engineering will be offered about $1864 per month, accountants about $1415, graduates in business administration about $1350, computer science about $1697, and those in liberal arts about $1287.

Master's degree graduates in engineering will receive, on the average, about $2094 per month, those in accounting about $1706 and those with the MBA about $2202 if they earned an undergraduate degree in technical fields. MBA graduates with non-technical Bachelor's degrees will receive about $1890 per month.

When asked for suggestions which would make college graduates more employable, students were urged to get as much job experience as possible, to develop communication skills in writing and speaking, to keep grades up, and to take business related courses. Suggestions by employers for colleges were to develop more cooperative programs, improve counseling services, offer more courses in communication such as writing and speaking, to offer more business related options including computer science, and to work more closely with industry.

CONCLUDING STATEMENT

It is important to express appreciation for the interest and cooperation of the many personnel executives who supplied information upon which this report is based. It is hoped that the findings will be helpful. It is also important to express special appreciation to Charlotte Siegel, Administrative Assistant in the Placement Center, Northwestern University, who has assisted in the preparation of this report.

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December, 1980